

## VATICAN BANK SUED FOR ALLEGED WAR CRIMES

by Sherman H. Skolnick

Note: case is Emil Alperin et al. vs. Vatican Bank et al., No. 99 C 4941, U.S. District Court, Northern District of California, filed 11/15/99.

In apparently the first legal action of its kind, the Vatican Bank has been sued by World War Two victims and their heirs and beneficiaries. Brought as a class action in the U.S. District Court in San Francisco, the initial plaintiffs are Ukrainians and ex-Soviet citizens but the affected class includes Serbians, Roma, anti-Fascist Croatians, and Jews.

The suit seeks "an accounting, restitution, disgorgement and to recover damages arising out of defendant VATICAN BANK (hereinafter referred to as IOR[Instituto Per Le Opere Di Religione, Institute for Religious Works]), the FRANCISCAN ORDER, and other banking institutions' and religious orders and organizations participation in a common scheme and course of conduct:

"(1) to profit from, both directly and indirectly, the inhumane and genocidal system instituted by the Nazi and Ustasha ideology;

"(2) to obtain, accept, conceal, convert and profit from assets looted by the Ustasha Regime and deposited in, or liquidated through, the IOR, Defendant Banks, and Franciscan organization during the ascendancy of the Ustasha regime and following the demise of the regime at the behest of former Ustasha and Nazi leaders through the offices of the Franciscan Order; and

"(3) to retain and convert assets deposited in their institutions by the Ustasha and the Franciscan Order." The suit uses the definition: "The 'Ustasha Regime' is defined as the German puppet fascist government of Croatia under the direction of its leader Ante Pavelic known as the 'Poglavnik' (Leader). The Ustasha regime operated under German protectorate from 1941 through 1945 and included numerous members of the Franciscan Order as both military and civil functionaries".

The Court papers state "Among the top Nazi beneficiaries of the Croatian-Vatican treasure was Adolph Eichmann who received a new identity as a 'Croatian refugee' before being smuggled to South America."

The suit points out "Evidence of the extent of the defendant's participation in wrongdoing has only recently come to light as a result of the disclosure and declassification of archived documents in the United States, Great Britain, Germany and other countries, as well as from the reports of several commissions and/or task forces created by the United States, Germany, and elsewhere and in particular the 1997 Supplemental Report by the United States State Department: U.S. and Allied Efforts to Recover and Restore Gold and Other Assets Stolen or Hidden by Germany During World War II,'The Fate of the Wartime Ustasha Treasury' released under the auspices of Under Secretary of State Stuart E. Eizenstat."

Among the fourteen pages of details in the Court pleadings, "Vatican Bank...has its principal place of business and is incorporated in Vatican City but conducts business and financial transactions worldwide on behalf of the Roman Catholic Church including the United States and California with total assets in excess of 3 billion dollars. Defendant IOR engages in for-profit merchant banking transactions in the United States, California, and elsewhere through its investments and transactions with other banks. Defendant Franciscan Order also known as First Order of Franciscans (O.F.M.) includes and/or included several Croatian Franciscan Orders in California, the United States, Croatia, and Italy."

Other eye-opening details in the suit include: "Croatian troops assisted the German occupiers of Ukraine in their systematic plundering and looting of Ukrainian resources and individual property. In exchange for the Croatian assistance in Ukraine, the Ustasha were given a free hand in Croatia and Bosnia to loot, plunder and terrorize the non-Croatian populace. The Croatian Treasury contained plunder from Ukraine and assets seized from the Ustasha victims in Yugoslavia. Without the full support of Nazi Germany for its loyal ally, the Ustasha, the Ustasha Treasury would not have been permitted to retain the profits from Ustasha atrocities, instead these funds would have been sent to Germany."

Further, "Upon the demise of the Ustasha government in 1945, assets valued between 50 and 180 million dollars were transferred from the capital, Zagreb. The majority of these funds, estimated at more than 80 million dollars were transferred to Vatican City with the assistance of Roman Catholic clergy and in particular members of the Franciscan order part of or sympathetic to the Ustasha."

Moreover, "Many officials of the Ustasha government, including the war criminals like Pavelic, were secretly housed by the Franciscan Order in Vatican City or Rome. The Ustasha Treasury with the assistance of IOR and Franciscans was used to resettle the Ustasha fugitives in Spain, Argentina, the United States and other sympathetic countries. The Ustasha were also alleged to have reaped profits in conjunction with their Franciscan and IOR benefactors by black market activities in post war Italy, selling Vatican and Red Cross documents to Nazi war criminals and by acting as informants and provocateurs for various intelligence services."

As a class action, the suit raises common questions of fact and law, including:

"Did the defendant IOR knowingly or otherwise carry out banking transactions that involved capital or assets that included looted and plundered assets of victims of the Nazi and Ustasha Regime deposited with the IOR by the remnants of the Ustasha Regime or the Franciscan order?"

"Did the Defendants Banks, IOR, or Franciscan Order improperly retain or convert deposited assets of the plaintiffs to/for their own or another's use?"

"Did the defendants knowingly aid and profit from the concealment of the Ustasha wartime Treasury?"

"Did the defendants knowingly assist fugitive war criminals from the Nazi and Ustasha regimes by making available and providing international transfer of funds?"

Among the pleadings "Facts Specific to IOR and Roman Catholic Religious Orders":  
"Many high officials of the Ustasha government were Roman Catholic clergy and in particular Franciscans. The Vatican maintained an 'Apostolic visitor' in Zegreb, the Croatian capital from 1941 until the end of the War. Relations between the Vatican and the Ustasha were cordial. The Papal legate in Croatia was Mgr. Marcone, who openly blessed the Ustasha, publicly gave the Fascist salute, and transmitted instructions from Rome to the Croatian clergy and episcopacy, principally concerning the forced conversions of the Eastern Orthodox Christians."

Among the many details of the complaint: that the former Ustasha Treasury was used post-World War Two to finance Nazi fugitives in exile. That the Vatican Bank to date "has refused to account for the Ustasha related transactions despite numerous inquiries from other governments and the London Conference on Nazi Gold."

Those close to the pending lawsuit advised us not to attract too much attention to the lawsuit on TV in Chicago. Why? The apparent reason is the large Pro-Vatican Croatian community in the Windy City as well as what some contend is a large number of the Ustasha or their offspring who live in Chicago. In the 1970s, there were many violent events between the Croat and Serb communities in Chicago, including shootings and bombings, not well reported outside of town.

A few years ago when we taped a one hour Cable TV Show on the subject of Bosnia and Serbia, one of the program guests threatened to leave the studio if I raised the issue of Vatican complicity in "ethnic cleansing" of Serbs from Croatia, by which many thousands of Serbs were killed or injured. [Another guest did raise the issue.] During the Kosovo War, Spring of 1999, the monopoly press said almost nothing about the bloodshed in Croatia reportedly instigated at least in part, by the Vatican. It is perhaps no coincidence that the Vatican Bank suit was brought in San Francisco. Headquartered there is the Bank of America, owned jointly by the Vatican, the Jesuits, and the Rothschilds. The parent holding company, Bank America, has been reportedly largely bought out by the Japanese mafia, the Yakuza. Most every bank in California is reportedly owned by the Yakuza. Seldom mentioned by the news fakers: the Yakuza is the main force in West Coast dope trafficking.

A possible problem in the case getting a fair hearing and trial: Most of the judges in the federal judiciary in California are banker-judges. Will they arbitrarily protect the Vatican Bank and other banking institutions implicated in the case? The federal appeals court in San Francisco is riddled with banker-judges. It is an unpublicized situation, by the way, throughout the U.S. and throughout the history of the federal courts in the United States.

For some background, visit our website: <http://www.skolnicksreport.com> In particular our stories, "The Vatican, the Giannini Family, and the CIA" and "The Pope's Three Banks in the U.S."

